



State of South Carolina

Office of the Governor

MARK SANFORD
GOVERNOR

Post Office Box 12267
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June 2, 2009

The Honorable André Bauer
President of the Senate
State House, First Floor, East Wing
Columbia, South Carolina 29201

Dear Mr. President and Members of the Senate:

I am vetoing and returning without my approval S. 351, R. 64, which makes changes to the State Ports Authority's management and operations.

We are vetoing this bill because it will hinder and slow change at the SPA. It largely does this by effectively eliminating the governor's ability to use his removal power with members of the board. This bill gives tenure to every board member at the SPA, and this level of independence from what people and neighborhoods might think of SPA decisions, I believe will prove to be disastrous over the long run. If this board structure had existed at the time of the Global Gateway proposal on Daniel Island, the political pressure that changed the Port Authority's decision could not have been brought to bear. Some level of accountability back to the taxpayer, rather than yet another unelected board managing millions or billions of dollars, is also not good for the taxpayer – as taxpayers also speak up through elected officials.

This bill moves our state one step further toward yet an even more imbalanced political system with the General Assembly imposing its will on what has been the decision-making authority of the executive branch. This decision is equally bad for the people of Jasper County as some of the board members reluctant to harness private capital to get the Jasper County facility up and going will be strengthened as a result of this change.

There's certainly some irony in that these measures to "reform" the SPA will have the opposite effect, and will, in fact, make it more difficult to bring change to the agency in the long term. Under this bill, SPA board members will have little motivation to implement the policies of future governors, with the risk of board members often being unresponsive to the governor's ability to make changes at the SPA. We fail to see how the SPA can be a better, more

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accountable agency when its board members have no incentive to, in fact, be more accountable for their job performance.

Supporters of S. 351 in the General Assembly have argued that the SPA board members need to be exempt from the governor's at-will removal powers because they need to be insulated from "political pressure." At the same time, the Senate refused to even consider an amendment by Senator Mike Rose to require SPA board members to document all contact with and from legislators and other public officials. In opposing the underlying legislation, Senator Rose noted, the SPA "policies and operations have been determined in the past and likely will continue to be based in the future too much on clandestine political interference and meddling by senior legislators rather than on professional business management..." This suggests that while the legislature is concerned about limiting the governor's role with regard to the SPA, some are perfectly content with the undue influence wielded behind the scenes from the Legislature.

At the end of the day, this bill will do little to ensure that the SPA is a well-managed agency, and will, in fact, only further entrench our state government in its antiquated structure of control by unelected, unresponsive, and unaccountable boards and commissions. At a time when our neighboring ports are adapting to a global recession and declining demand for shipping, the South Carolina General Assembly has chosen a course that will make our port less responsive and competitive by insulating its management from accountability. Accordingly, we must veto this legislation.

Sincerely,

A handwritten signature in black ink, appearing to be 'Mark Sanford', with a stylized, flowing script.

Mark Sanford